



Consumer Federation of America

August 2, 2002

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Communication In the Matter of Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television (MM Docket 00-39)

Dear Ms. Dortch,

On July 26, 2002 Dr. Mark Cooper, Director of Research for the Consumer Federation of America, met with Katherine Bohegan, to discuss CFA's position with regard to the mandating of digital tuners in television sets. The substance of the discussion was to review a letter recently sent to the Chairmen and Members of the Committees of jurisdiction in the House and Senate (see Attached) as well as earlier filings in this proceeding, including a November 2000, letter to Chairman Kennard (attached) and CFA's comments and reply comments, which are already a part of the record.

Dr. Cooper pointed out that opposes the mandating of tuners because the vast majority of consumers receive their television programming in as a bit stream, rather than by broadcast. Further, the program producers and cable distributors has failed to create a uniform, content rich environment that would stimulate demand for digital TVs. Forcing expensive tuners into TV sets, with little programming available or accessible, is having the tail wag the dog.

Having failed to force the industry to make significant progress and wasted five years, Dr. Cooper recommended that the Commission recalibrate the transition to digital TV. Once significant progress toward widespread availability of programming, an open and competitive set top box market has been demonstrated, and a unified standard for reception of programming across all distribution media has been demonstrated, TV set manufacturers should be placed on a four year transition to availability of digital tuners.

Mark Cooper



Consumer Federation of America

July 23, 2002

The Honorable Ernest F. Hollings
Chairman, Senate Commerce, Science & Transportation Committee
508 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable W.J. "Billy" Tauzin
Chairman, House Energy & Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Hollings and Tauzin:

On behalf of the Consumer Federation of America* (CFA) we appreciate your efforts to move the transition to digital TV forward. However, we are concerned that your recent calls for a swift resolution of the technical issues surrounding the delivery of digital television could ignore vital consumer concerns. Up to now, consumer perspective on these important issues has been virtually absent from consideration. This is alarming in that these proposals impact consumers in at least two fundamental ways—the ability to use a ubiquitous consumer good, namely the television and the increased cost resulting from mandated technology.

The industry sponsored anti-piracy proposals seem to start from the premise that all consumers are thieves and sets out to develop a hardwired anti-theft system that destroys consumers' ability to make fair use of the programming coming into their homes. This approach will render obsolete tens of millions of dollars of electronic equipment that consumers have already purchased.

In the longer term, the licensing approach under discussion will stifle innovation. It puts a handful of companies in charge of approving recording and display devices. The design characteristics of the hard-wired antitheft system will be unnecessarily complex. In the consumer electronics industry, this typically imposes unnecessary costs and severe reliability problems on consumers.

Mandating technologies creates an unfair and unnecessary burden for consumers. Between 85 and 90 percent of TV households will not need a digital tuner because they use cable or satellite transmissions, yet Chairman Powell wants half of all TV sets sold to have such a tuner by 2004. This would be an unnecessary and wasteful expense,

* The Consumer Federation of America is the nation's largest consumer advocacy group, composed of two hundred and eighty state and local affiliates representing consumer, senior, citizen, low-income, labor, farm, public power and cooperative organizations, with more than fifty million individual members.

especially on a short time frame. Under this scenario, consumers wishing to buy a television are forced to pay extra for equipment they may not need.

Even those households that do not take satellite or cable and might actually use a tuner would only have digital programming to watch about 2 hours per day. In half the markets in the country, there would be nothing to watch. The broadcasters, who were given a valuable gift of spectrum, have failed to live up to their part of the bargain and produce the programming. To ask the public, which received nothing for the grant of spectrum to pay again by being forced to purchase more expensive TVs in the form of more expensive TVs that are far less useful than they have been is an outrage.

As you consider the various industry concerns in this debate, please keep consumers' interests in mind. The digital transition impacts one of the most pervasive consumer devices. Mistakes that may result from hasty decisions will impose huge costs on consumers and create havoc in the important and still evolving digital technology marketplace.

Sincerely yours,



Mark Cooper
Director of Research

CC:	The Honorable Michael Bilirakis	The Honorable John D. Dingelle
	The Honorable Joe Barton	The Honorable Henry A. Waxman
	The Honorable Fred Upton	The Honorable Edward J. Markey
	The Honorable Cliff Stearns	The Honorable Ralph M. Hall
	The Honorable Paul E. Gillmor	The Honorable Rick Boucher
	The Honorable Jim Greenwood	The Honorable Edolphus Towns
	The Honorable Christopher Cox	The Honorable Frank Pallone, Jr.
	The Honorable Nathan Deal	The Honorable Sherrod Brown
	The Honorable Richard Burr	The Honorable Bart Gordon
	The Honorable Edward Whitfield	The Honorable Peter Deutsch
	The Honorable Greg Ganske	The Honorable Bobby Rush
	The Honorable Charles Norwood	The Honorable Anna Eshoo
	The Honorable Barbara Cubin	The Honorable Bart Stupak
	The Honorable John M. Shimkus	The Honorable Eliot Engel
	The Honorable Heather A. Wilson	The Honorable Thomas C. Sawyer
	The Honorable John B. Shadegg	The Honorable Albert Wynn
	The Honorable Charles Pickering, Jr.	The Honorable Gene Green
	The Honorable Vito Fossella	The Honorable Karen McCarthy
	The Honorable Roy Blunt	The Honorable Ted Strikland
	The Honorable Thomas M. Davis III	The Honorable Diana L. DeGette
	The Honorable Ed Bryant	The Honorable Thomas Barrett
	The Honorable Robert Ehrlich, Jr.	The Honorable Bill Luther
	The Honorable Steve Buyer	The Honorable Lois Capps

The Honorable George Radanovich
The Honorable Charles Bass
The Honorable Joseph R. Pitts
The Honorable Mary Bono
The Honorable Greg Walden
The Honorable Lee Terry

The Honorable Mike Doyle
The Honorable Chris John
The Honorable Jane Harman



Consumer Federation of America

November 22, 2000

The Honorable William Kennard
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Kennard:

We agree with and strongly support the efforts of the Federal Communications Commission (FCC) to foster an orderly transition to digital Television (DTV) and to ensure that Americans have over-the-air access to digital programming by 2006. We also believe that FCC efforts to ensure that broadcasters remain committed to the programming transition schedule that they agreed to when they received the digital spectrum are important and just.

We are concerned however, with recent suggestions that the FCC will move to require every analog television set over 13" to have DTV reception capability by 2003. Such a mandate would mean that the price of television sets would increase dramatically – by hundreds of dollars per set.

- The increased is completely unjustified and an unnecessary burden on all consumers. It would obviously impact low income consumers most.
- Indeed, some low income consumers who need a new set but are unable to afford it, could potentially be priced out of the market for new televisions and be cut off from the most important sources of news and information in our information society.
- Cheaper options, such as digital converters will be undermined by such a mandate, since the market for upgrades to small analog TV's will not be very attractive.

The original idea was for consumer demand for digital receivers to be stimulated with increased availability to of digital programming. The broadcasters, who were given the

use of a valuable public resource – digital spectrum – were being asked to develop programming for that spectrum. Because they had been given free use of the spectrum, which has been valued at as much as \$70 billion, it was fair to have them bear the burden of developing the programming to pull consumers into the digital TV age.

The FCC's proposal contradicts that fundamental logic. It seeks to push consumers by forcing them to buy much more expensive sets. Imposing these costs on the public because the broadcasters have reneged on their part of the bargain is outrageous. This proposal represents a capitulation by the FCC to the broadcaster's refusal to provide more digital programming, which has already slowed the transition to digital TV. It will not provide a real incentive to produce that programming, since the sets would have analog capacity.

The FCC's recent statements have made clear that keeping broadcasters on track to fulfill their commitment and meet the 2006 deadline for full digital programming is the most expedient way that we can ensure a complete and equitable conversion to DTV is made. We urge the commission to continue to demand that broadcasters develop digital programming and to refrain from enacting a government mandate that will place an unnecessary and unfair cost on America's consumers.

Sincerely yours,

Mark Cooper
Director of Research